Mission Accomplishment as Philanthropic Organization Effectiveness: Key Findings From the Excellence in Philanthropy Project

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Philanthropic organizations make a significant impact on the lives of Americans, and the effectiveness of these organizations is of great interest. The Excellence in Philanthropy Project is intended to contribute to the development of theory for designing philanthropic organizations for producing increased levels of effectiveness. The findings reviewed here are based on questionnaires collected from 101 philanthropic organizations in Franklin County (Columbus), Ohio. This article reports on the ways mission statements are expressed—as an intention to affect the world outside the organization, the organization itself, or both—and also on whether organizations' performance measures assess mission accomplishment.

Philanthropic organizations make a significant impact on the lives of Americans on a daily basis. These nonprofit organizations make an important contribution to our quality of life. The Excellence in Philanthropy Project is a study created with the intention to be a contribution to the development of theory for designing philanthropic organizations for producing increased levels of effectiveness. The key findings from this study are presented here.

One of the many “defining models” of effectiveness holds that an organization is effective to the extent that it accomplishes its mission. This “mission accomplishment” model has been used in this project to study the ways in which philanthropic organizations are designed. Despite widespread agreement that “mission” is an important issue in the operation of philanthropic organizations, there has been little empirical research done that examines how these organizations currently design themselves for accomplishing their missions. This exploratory project has begun to fill that gap.

The findings reviewed in this article are based on questionnaires collected from 101 philanthropic organizations in Franklin County (Columbus), Ohio. The specific research questions regarding the missions of philanthropic organizations deal with, first, the ways mission statements are expressed—as an intention to affect the world outside the organization, the organization itself, or both—and also on whether or not the organizations' performance measures assess mission accomplishment.

THE ORGANIZATION EFFECTIVENESS LITERATURE

Increasing the level of effectiveness of philanthropic organizations has attracted more attention in recent years, as the role they play in the life of our society has continued to grow. Scholars and practitioners have noted—and agreed—that increasing the level of effectiveness of these organizations increases the quality of life in our communities. However, there has been much less agreement on what constitutes “effectiveness.”

The large number and variety of “defining models” of organization effectiveness have appeared to create great confusion for many organization theorists, as pointed out by Goodmar and Pennings (1977); Dalton, Todor, Spendolini, Fielding, and Porter (1980); Cameron and Whetten (1983); and Knauff, Berger, and Gray (1991). Each of these models has various strengths and weaknesses depending on the organization studied and the priorities of the research being conducted.

The “goal” model, wherein an organization is considered effective to the extent that it achieves its goals, has long influenced the literature (Price, 1968; Strasser, Evelyen, Cummins, Deniston, & Romani, 1981). The goal model is logical and makes the analysis of effectiveness a purely objective task—one compares results to goals and measures effectiveness.

Problems with this approach have included the question raised by Ferrow (1961) of whether to study “official” goals, publicly stated by organization representatives, or “operative” goals, reflected through the operating policies of the organization. And according to Etzioni (1964), because even similar organizations would not share exact goals, this approach does not allow for comparative organization effectiveness studies.

Dissatisfaction with the weaknesses of the goal model of organization effectiveness led Etzioni (1964) to propose a “system” model of analysis. This model focuses attention on the most “highly effective allocation of means” possible in an organization (p. 17). It “defines a pattern of interrelations among the elements of the system which would make it most effective in the service of a given goal, as compared to other combinations of the same or similar elements” (p. 19). The significance of his approach is that the system is the dependent variable, the definition of effectiveness. Prior to this time, the system
was a collection of independent variables, a causal model, which produced the dependent variable of goal outcomes.

The system approach has been used by researchers with three different emphases: open systems, internal process systems, and human resource systems. The open system approach is, perhaps, best exemplified by the work of Seashore and Yuchtman (1968) in the development of their “system-resource” model. They “define the effectiveness of an organization as its ability to exploit its environments in the acquisition of scarce and valued resources to sustain its functioning” (p. 393).

The internal process approach emphasizes systematic decision making, information management, and control. For example, March and Simon (1958) have done considerable work in the area of decision making, emphasizing search behavior and the bounded rationality with which decisions are made.

The human resources approach is similar to the internal process approach in that the focus is on the internal workings of the organization. However, in this case it highlights the importance of the development, satisfaction, and psychological health of the employees (Argyris, 1964; Bennis, 1966; Cunningham, 1977; Katz & Kahn, 1966; Likert, 1967).

The various system models have in common the fact that each uses an explanation of the interrelationships of various organizational elements as a definition for effectiveness. This means that their effectiveness criteria become very difficult to operationalize, as compared to the simple goal model, and involve a great deal of interpretation. These models focus on process and/or inputs rather than on outcomes.

The compelling yet differing strengths of the models reviewed thus far led Quinn and Rohrbaugh (1983) to the development of the “competing values” model, which combines four other models: rational goal, open systems, internal process, and human relations. These component-models are differentiated according to the perspective each “values” regarding organizational focus—internal or external—and organizational structure—flexibility or control. The competition among the values perspectives of each component-model within the total competing-values model means that effective organizations must balance their operations between each. Balancing these seemingly contradictory values is the key challenge organizations face.

By taking this approach, Quinn and Rohrbaugh (1983) are able to show how conflicting values truly do exist simultaneously in an organization. However, the model exists at a highly generalized level and does not provide specific guidance for achieving the appropriate balance. Without this guidance it is almost as if the model suggests that effective organizations must be able to do everything well, and to know when to do it. At this level of abstraction the model would have limited prescriptive value.

Other theorists have put forward “constituency” or “participant satisfaction” models (Connolly, Conlon, & Deutsch, 1980; Friedlander & Pickle, 1968; Goodman & Pennings, 1977). Seashore (1983) explains that organization effectiveness must “be evaluated from the perspectives of different interested parties” (p. 55), which are referred to as “constituents.” Every different constituent will have his or her own idea of how effective the organization is, based on their orientation, interest, and experience. Although the various constituency approaches add another insight to the study of organization effectiveness, they have their weaknesses. The judgments of constituents are, by definition, highly subjective and subject to swift and significant change. Organizations may have difficulty tracking these shifts. Further, inconsistencies are bound to arise and no indications as to how to balance the differing influences are given.

All of the aforementioned approaches provide useful perspectives on effectiveness. However, none of them provides a perspective that considers the unique nature of philanthropic organizations. Another approach, “mission accomplishment as effectiveness” (Ford & Ford, 1990; Ford, Sheehan, & Ford, 1994), provides this additional perspective. In this approach, and consistent with the purpose of philanthropic organizations, the mission of an organization is considered to be its commitment to make a difference in the world in which it operates, to produce results for others beyond its own borders. The results it produces that correspond to the mission are its accomplishments. In this approach, organizations design “mission performance measures” for themselves, which serve as “registers” to indicate the level of mission accomplishment attained. They are therefore “reliable impact measures” of the difference the organization is making out in the world. In this way, organizations have the opportunity to create their own, individual defining models of effectiveness. Hypothetical examples would include the following:

Charles County Homeless Services Mission Statement: “To End Homelessness in Charles County”
Mission Performance Measure: “Number of homeless people in Charles County, as reported by county officials”
Merle County Infant Nutrition Project Mission Statement: “To assure that infants born in Merle County begin life healthy and well-nourished”
Mission Performance Measures: “County infant birth weights and county infant mortality rates”

This approach is similar to the goal approach in that it is concerned with producing intended results and accomplishing aims. But it is much more specific and broader than the goal approach. Depending on one’s use of the term goal, a goal may or may not be specific and measurable, and if it is measurable, it may or may not represent an impact or difference made.
For example, an organization might use the term goal in a specific and measurable way, just as many organizations will interchangeably use the term objective, as in "management by objectives." Using the terms in this way, an organization could set a specific and measurable goal or objective to mail out 10,000 fund-raising letters by a certain date. Attainment of this goal or objective would not represent an impact made on a person, place, or thing outside of the organization. Further, mission performance measures are broader than a goal or objective might be in that they are measures of the entire organization's performance, according to the intention it states in its mission, rather than being a measure of just a small segment of the organization's activities or performance as could be the case with a goal or objective.

The mission accomplishment approach seems very appropriate for philanthropic organizations in that they are described as those that assist in the "improvement in the quality of human life" (Brenner, 1988, p. 3). And without the capacity to state the difference it is making in real terms—as it could with mission performance measures—an organization may be relegated to helplessly asserting, as in Brian O'Connell's (1985) fictional "Our Organization," that "any organization made up of such bright people, who are so dedicated and who have worked so hard, must be doing a great deal of good" (p. 204).

The mission accomplishment approach provides an additional perspective to the study of philanthropic organization effectiveness. The balance of this study uses the approach and takes the perspective that philanthropic organizations should and can be designed for the accomplishment of their missions. Data has been collected and implications are discussed. The specific research questions to be considered are

1. Is the mission expressed as an intention to affect the world outside the organization, the organization itself, or both?
2. Do performance measures assess mission accomplishment?

**Methodology**

The organization theory literature is replete with descriptions and prescriptions regarding the importance of mission in organizations, generally, and specifically, in philanthropic organizations (Bryson, 1988; Carver, 1990; Drucker, 1974, 1990; Kaufman, 1991; Pearce & David, 1987; Vaill, 1990). Yet there has been little empirical research done that reveals how philanthropic organizations actually structure themselves to accomplish their missions.

*Profiles of Excellence* (Knauff et al., 1991), based on the Independent Sector's five year research project on philanthropic organization effectiveness, describes the importance of "primacy of mission" and points to the importance of further research on philanthropic organization missions. The study revealed that philanthropic organization officials most often listed "a clear sense of mission accompanied by goals to carry out that mission" as a characteristic of an effective organization (Knauff et al., 1991, p. 3). The importance of mission was confirmed by further research in the study, including case studies of 10 outstanding philanthropic organizations. Although the Profiles of Excellence project revealed the importance of mission, it was not designed to collect extensive data on how philanthropic organizations use their missions. Given these research findings and the importance of mission in the literature, further research regarding how these organizations use their missions represents a timely contribution to the field.

Our study was conducted by researching philanthropic organizations in Franklin County (Columbus), Ohio. The database of these organizations was provided by Independent Sector's National Center for Charitable Statistics. This database is sourced from the Internal Revenue Service's (IRS) listing of all 501(c)(3) philanthropic organizations required to file the IRS tax form 990. Organizations with revenues of under $25,000 are not required to file this form and may not be included in the database. Franklin County provided for this research a large, diverse set of philanthropic organizations with characteristics similar to the total pool of philanthropic organizations in America. We surveyed all 639 of them. A percentage comparison of philanthropic organizations nationally and in Franklin County, by general function, as categorized by Independent Sector's National Center for Charitable Statistics, is listed in Table 1 (Hodgkinson, Weitzman, Toppe, & Noga, 1992, p. 195).

The 639 questionnaires were mailed first class in March, 1993 to the chief staff officers of the philanthropic organizations. The questionnaire included both general organization description questions and those relating to the research questions. Following is an explanation of how two of the key research questions in The Excellence in Philanthropy Project were engaged in the questionnaire and then analyzed:

*Is the Mission Expressed as an Intention to Affect the World Outside the Organization, the Organization Itself, or Both?* Organizations were asked to submit a formal mission statement if it existed. Otherwise, the chief staff offices were asked to write what they would say the mission of the organization is. Content analysis (Krippendorff, 1980), using a team of raters working independently, was used in this situation to determine if the organization mission is an intention to affect the outside world, the organization itself, both, or neither.

This same research analyst team was used for analysis on this and other questions. I trained the team using a very specific protocol. Interrater agreement for each question analyzed varied. For this question, the four analysts agreed 100% of the time on 78 of 100 responses; 75% of the time on 14 responses; and 50% on 8 responses.
Table 1. Number and Percentage of Total Survey Respondents by Function, Compared With Percentage of Like Organizations in Franklin County and Nationally

<table>
<thead>
<tr>
<th>Function</th>
<th>Survey</th>
<th>Franklin City</th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Human services</td>
<td>n = 30 (29.70)</td>
<td>35.66</td>
<td>33.38</td>
</tr>
<tr>
<td>2. Education/instruction</td>
<td>n = 10 (9.90)</td>
<td>10.23</td>
<td>11.21</td>
</tr>
<tr>
<td>4. Arts, culture, humanities</td>
<td>n = 12 (11.88)</td>
<td>10.39</td>
<td>10.57</td>
</tr>
<tr>
<td>5. Public/social benefit</td>
<td>n = 16 (15.84)</td>
<td>12.71</td>
<td>8.47</td>
</tr>
<tr>
<td>6. Other</td>
<td>n = 18 (17.82)</td>
<td>18.29</td>
<td>23.81</td>
</tr>
</tbody>
</table>

Note: Parentheses enclose the percentages in Survey column.

Do Performance Measures Assess Mission Accomplishment? On this issue, chief staff officers were asked:

1. “Please explain how you determine whether the organization is or is not accomplishing the mission. Please list any results, outcomes, and specific evidence you look to in making this determination.”

2. “Does the board of directors determine whether the organization is or is not accomplishing the mission in the same way as you have explained in response to the previous question? Yes. No.

Two main steps of analysis were performed on the responses to the first question by the research analyst team. The first step was to identify which of the determinants listed—the results, outcomes, and evidence—were measurable. The value given for each of the measurements listed by respondents were identified as representing nominal, ordinal, and interval-ratio measures (Kaufman, 1991). Only those outcome determinants that we categorized as “interval-ratio” measures were counted as true measures, in that these are considered to be more reliable measures than those in the nominal or ordinal categories (Kaufman, 1991), and only the interval-ratio category provides measures according to scales, which in turn enhances precision. Interrater agreement for the 101 responses was 100% for 74 responses, 75% for 19, and 50% for 8. Only ratings of 75% and 100% were considered valid for reporting purposes for this question. Responses on which only 50% agreement was reached were not reported as reliable measures.

The next step of analysis was an assessment of the logic and adequacy of the explanation of how the measures relate to mission accomplishment. This was a judgment as to whether or not the responses listed represented an impact on the condition of a person, place, or thing. Interrater agreement for the 101 responses was 100% for 66 responses, 75% for 23 responses, and 50% for 12 responses. Again, only ratings of 75% and 100% were considered valid for reporting purposes for this question. Responses on which only 50% agreement was reached were not reported as reliable measures.

Table 2. Total Annual Revenues Reported by Survey Respondent Organizations

<table>
<thead>
<tr>
<th>Total Revenues</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $100,000</td>
<td>16</td>
<td>15.84</td>
</tr>
<tr>
<td>$100,000-$249,999</td>
<td>21</td>
<td>20.79</td>
</tr>
<tr>
<td>$250,000-$499,999</td>
<td>14</td>
<td>13.86</td>
</tr>
<tr>
<td>$500,000-$999,999</td>
<td>15</td>
<td>14.85</td>
</tr>
<tr>
<td>$1,000,000-$2,499,999</td>
<td>18</td>
<td>17.82</td>
</tr>
<tr>
<td>$2,500,000+</td>
<td>17</td>
<td>16.83</td>
</tr>
</tbody>
</table>

FINDINGS AND RESULTS: RESPONDENT CHARACTERISTICS

A total of 101 responses were received to the questionnaire mailed out to the 639 philanthropic organizations surveyed, for a 15.81% response rate. The respondents represent a diverse and interesting set of organizations according to various factors, most interestingly by function and total revenues. The respondent set in every functional category (Table 1) very closely represents the percentages of these organizations in the entire Franklin County pool of philanthropic organizations, which are very close to the national functional categories.

Total revenues from the most recently completed fiscal year were reported by each responding organization and are listed in Table 2. No national statistics have been made available publicly on total revenues of philanthropic organizations in recent years, making national comparisons difficult. However, the total range of revenues represented are diverse.

QUESTIONNAIRE RESPONSES AND ANALYSIS

The research analyst team examined each of the mission statements to determine whether each statement expressly stated an intention to affect/benefit the organization itself, to make an impact/benefit outside the organization, to do both, or to do neither. The results of this analysis are listed in Table 3.

These results are very consistent with the definition of a philanthropic organization as making a difference in the quality of life. Nearly all (97/100, 97.00%) of the organizations show an intention to make an impact outside themselves or to both affect themselves and make an outside impact. The analyst team also examined the responses to the question, “Please explain how you determine whether the organization is or is not accomplishing the mission. Please list any outcomes, and specific evidence you look to in making this determination.” The first step of analysis for these responses was to determine which of the statements were reliable measures. Then, each of these measures were analyzed to determine whether or not the reliable measures represent an impact on (or difference made in) a person, place, and/or thing...
outside the organization. The results of the analysis are (a) respondents listing reliable measures: 49/101 (48.51%); (b) reliable measures with impact: 14/101 (13.86%).

As these findings show, a vast majority of the reliable measures used by the respondents to determine mission accomplishment do not represent an impact or difference made in the condition of a person, place, or thing outside the organization. They are more commonly “input” or “activity” measures, such as amount of dollars raised, number of program participants, number of new volunteers, number of programs, and so on.

Respondents were then asked, “Does the board of directors determine whether the organization is or is not accomplishing the mission in the same way as you have explained in response to (the previous question)?” The results: Yes: 91 (90.10%); No: 10 (9.90%).

EXTENDED QUESTIONNAIRE RESPONSE ANALYSIS

Fourteen respondents reported statements that were judged to be reliable impact measures by the research analyst team in response to the question regarding determinants of mission accomplishment. Of these 14, 11 respondents agreed to return and returned follow-up questionnaires that were distributed to them. Six questionnaires were directed to each respondent, one for them to return themselves (the chief staff officer), one for their board chair, two for other members of the organization’s staff, and two for other members of its board of directors. Of the total 66 (6 per 11 respondents) questionnaires distributed, 41 were returned.

The questionnaire asked, “Please explain how you determine whether the organization is or is not accomplishing the mission. Please list any results, outcomes, and specific evidence you look at to make this determination.” I analyzed the responses to this question using the same protocol as the analysis performed by the research analyst team for the chief staff officer questionnaire. Each response was analyzed to determine whether or not it included reliable impact measures. These were then compared with the response of the chief staff officer for that organization to see if there was agreement.

In only 4 of the 11 organizations did at least one respondent list a reliable impact measure identical to the chief staff officer. In only 1 organization was there agreement between the chief staff officer and more than one other respondent. Two of this organization’s respondents—a board member and a staff member—agreed with the chief staff officer.

In the other three organizations, one respondent agreed with the chief staff officer. Even though the chief staff officers of the 11 organizations returning the follow-up questionnaires listed reliable impact measures as determinants of organization accomplishment, very little agreement was found throughout the organizations—from staff or the board—on these determinants. Based on these results, it is doubtful that the 90.1% of the chief staff officers who stated that their boards determine the accomplishment in the same way they do are correct.

DISCUSSION

As reported in the previous section, only 13.86% of the survey respondents listed reliable impact measures that represent an impact or a difference made in the condition of a person, place, or thing. And follow-up surveys showed that these were not found to be widely understood within those organizations. However, it is still unclear what percentage of all philanthropic organizations—in Franklin County or otherwise—use reliable impact measures. The 15.81% questionnaire response rate is not high enough to generalize these findings to all other organizations in Franklin County or nationally. This will remain unknown without the full set of responses from the pool of organizations or full responses from a random sample of them.

Even though this finding cannot be generalized to the entire population of philanthropic organizations—given the exploratory nature of this study—it is important for guiding future research and it is an important finding with regard to the respondent set.

Given the definition of philanthropic organizations as those that make a difference in the quality of life in the world and given that a vast majority of the mission statements of the respondents were judged to include an intention to make an impact outside the organization, the measures of mission accomplishment would be those that represent an impact made on a person, place, or thing—the reliable impact measures. Any other measures listed are not evidence of mission accomplishment. They may be measures of inputs, such as dollars spent or staff hours used, or they may be measures of activities completed, but they are not measures of mission accomplishment.

This is a finding of great significance with important implications. It means that the vast majority of this set of respondents do not know whether or not they are accomplishing their missions.

The literature has widely pointed out the importance of these results measures. For example, Drucker (1974, p. 75) has stated:
Only a clear definition of the mission and purpose of the business makes possible clear and realistic business objectives. It is the foundation for priorities, strategies, plans, and work assignments. It is the starting point for the design of managerial jobs and, above all, for the design of managerial structures.

Bryson (1988) has stated that these performance criteria are important so the organization knows what it is planning for. Without the reliable impact measures, all the organization has to rely on for a determination of mission accomplishment are the varied opinions of board members, staff, and other constituents. These opinions could range from "we are good-hearted people working hard so we must be accomplishing our mission" to "we are providing services that people seem to like so we must be accomplishing our mission" to "we balanced the budget and so must be accomplishing our mission." To effectively coordinate action within an organization by "managing opinions" of board members, staff, and volunteers is inefficient if not impossible. Without clarity on reliable mission accomplishment determinants, these differences of opinion will result in a variety of misunderstandings. (Imagine a football team in which every player had his own opinion of the direction of the goal line.)

The lack of reliable impact measures in these organizations is a finding similar to that reported by Osborne and Gaebler in Reinvesting Government (1992). They comment on the lack of impact measurements:

Because they don't measure results, bureaucratic governments rarely achieve them. They spend ever more on public education, yet test scores and dropout rates barely budge. They spend ever more on job training for welfare recipients, yet welfare rolls continue to grow. They spend ever more on police and prisons, yet crime rates continue to rise. (p. 139)

Reliable impact measures for philanthropic organizations are similarly important if they are to produce results, and, given the special tax status of philanthropic organizations, many feel results are important. As Raul Yzaguirre, chairman of Independent Sector, has stated, "We owe results" (Joseph & Edna Josephson Institute, 1992, p. 34). One can imagine that donors, volunteers, and clients of a philanthropic organization would feel the same way.

But significant implications exist for the performance of philanthropic organizations beyond the fact that they "owe results." Because they cannot tell success from failure without reliable impact measures, they cannot determine if specific programs or activities should be continued, expanded, or cut. Perhaps most important, they cannot learn from any mistakes they may be making, because they are unclear as to whether or not they are making a mistake—it becomes a matter of opinion. Likewise, they cannot learn from their successes. And, they cannot appropriately acknowledge themselves or others for their accomplishments and successes.

Mission performance measures can provide philanthropic organizations with a reliable basis for determining whether they are or are not accomplishing their missions. The missions of these organizations are of key importance to their management (Drucker, 1974, 1990; Knauf et al., 1991; Vaill, 1990), strategic planning (Bryson, 1988; Kaufman, 1991; Pearce & David, 1987), board operations (Carver, 1990; Ingram, 1988; Herman & Heimovics, 1991; Houle, 1988), fund-raising (Pocock, 1989; Rosso, 1992), and marketing (Johnson, 1986; Kotler & Andreasen, 1991; Stern, 1990) efforts. Mission performance measures can provide a foundation for the coherent and coordinated operation of all these activities and the overall development of the organization.

FUTURE RESEARCH ISSUES

A vast majority of the respondents in this study are missing a fundamental mission structure required for a philanthropic organization to be designed for mission accomplishment. Because these respondents are somewhat self-selected and the response rate to the questionnaire was 15.81%, these findings cannot be reliably generalized as a representation of all philanthropic organizations in Franklin County or in America. Although informed speculation on this point could lead to an assertion that most philanthropic organizations nationally would also be missing this structure, it is a question that requires further research.

Although mission has been written about extensively, what has been lacking in the literature are ideas on how the mission can be translated into terms of performance and then used in strategic planning and other operational areas. Recently, Stone and Crittenden (1993) found this lack of performance criteria to be a "noticeable gap" in the literature. Additional research on philanthropic organization effectiveness, using the mission accomplishment approach, can further help to fill this gap.

REFERENCES

Effectiveness in Philanthropic Organizations


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